

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 NSCE-00

SSO-00 USIE-00 INRE-00 SAJ-01 OMB-01 EB-07 AGR-05

AGRE-00 /067 W

----- 004625

O P 220912Z SEP 76

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC IMMEDIATE 0500

INFO AMEMBASSY COPENHAGEN PRIORITY

AMEMBASSY MOSCOW PRIORITY

AMEMBASSY OSLO PRIORITY

AMEMBASSY REYKJAVIK PRIORITY

AMEMBASSY STOCKHOLM PRIORITY

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EO 11652: N/A

TAGS: PINT, FI

SUBJECT: SPECULATION ON FORMATION OF NEW FINNISH GOVERNMENT

REF: HELSINKI 1953

1. SUMMARY: THE FALL OF MIETTUNEN GOVERNMENT HAS NATURALLY SPARKED SPECULATION RE ITS SUCCESSOR. SPECUALTION COVERS THE VARIOUS POSSIBLE COMBINATIONS OF MAJORITY, MINORITY AND "NON-POLITICAL" GOVERNMENTS. SEVERAL CRITICAL FACTORS MUST BE CONSIDERED IN EVALUATING THE VARIOUS POSSIBILITIES. THE MOST IMPORTANT FACTOR IS THE PERSON OF PRESIDENT KEKKONEN HIMSELF. IN THE FINAL ANALYSIS IT WILL BE HE WHO DETERMINES HOW AND WHEN A NEW GOVERNMENT IS FORMED AND, TO A MAJOR EXTENT, WHICH PARTIES WILL PARTICIPATE IN IT. END SUMMARY.

2. THE FALL OF THE MIETTUNEN GOVERNMENT SEPTEMBER 17 HAS NATURALLY BEEN FOLLOWED BY A FLOOD OF SPECULATION CONCERNING

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WHEN A NEW GOVERNMENT MIGHT BE FORMED AND WHAT ITS

COMPOSITION MIGHT BE. SPECULATION RUNS VIRTUALLY THE ENTIRE GAMUT OF THEORETICAL POSSIBILITIES WITH ALMOST NO POSSIBILITY BEING COMPLETELY RULED OUT, ALTHOUGH SOME ARE CONSIDERED LESS LIKELY THAN OTHERS.

3. BELOW IS A LIST OF POSSIBLE GOVERNMENT COMBINATIONS IN NO PARTICULAR ORDER OF PROBABILITY. AS AN AID TO EVALUATION, READERS ARE REMINDED THAT THE CURRENT PARTY LINE-UP IN THE 200-MEMBER EDUSKUNTA IS: SOCIAL DEMOCRATIC PARTY (SDP) - 54 MEMBERS; FINNISH PEOPLES DEMOCRATIC LEAGUE (SKDL) - 40; CENTER PARTY - 39; CONSERVATIVE PARTY - 35; SWEDISH PEOPLES PARTY (RKP) - 10; LIBERAL PEOPLES PARTY (LKP) - 9; CHRISTIAN LEAGUE - 9; AND OTHERS -4. POSSIBLE GOVERNMENT COMBINATIONS:

A. FIVE-PARTY MAJORITY GOVERNMENT OF COMMUNIST-FRONT SKDL, SDP, CENTER, LKP AND RKP. THIS WOULD REPEAT THE SAME PARTIES OF THE CURRENT COALITION IN RESHUFFLED FORM.

B. FOUR-PARTY MAJORITY GOVERNMENT OF SDP AND THREE CENTRIST PARTIES: CENTER PARTY, LKP AND RKP.

C. THREE-PARTY MAJORITY GOVERNMENT OF SKDL, SDP, AND CENTER PARTY.

D. BOURGEOIS MAJORITY GOVERNMENT OF NON-LEFTIST PARTIES, ESSENTIALLY THE CENTRIST PARTIES PLUS CONSERVATIVE PARTY AND VHRISTIAN LEAGUE.

E. SDP MINORITY GOVERNMENT.

F. CENTRIST PARTIES (CENTER, LKP AND RKP) MINORITY GOVERNMENT.

G. CONTINUATION OF MIETTUNEN GOVERNMENT IN A NON-POLITICAL CARETAKER ROLE UNTIL AFTER THE OCTOBER 17-18 MUNICIPAL ELECTIONS.

H. NON-POLITICAL CIVIL SERVICE OR "EXPERTS" GOVERNMENT NAMED TO CARRY ON THROUGH MUNICIPAL ELECTIONS AND UNTIL FORMATION OF A POLITICAL GOVERNMENT.

4. EACH OF THE OPTIONS IN PARAGRAPH 3 HAS BEEN MENTIONED BY ONE POLITICIAN OR ANOTHER, PUBLICLY OR PRIVATELY, OVER THE PAST FEW DAYS. ARGUMENTS CAN BE - AND ARE- MARSHALLED AGAINST EACH POSSIBILITY, AND THERE IS NO CONSENSUS ON WHAT THE OUTCOME WILL BE OR WHEN. WHEN EVALUATING THE OPTIONS, SEVERAL CRITICAL FACTORS MUST BE CONSIDERED LIMITED OFFICIAL USE

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WHICH INFULENCE OR COMPLICATE ONE OR MORE OF THE POSSIBLE GOVERNMENT COMBINATIONS.

5. ONE CRITICAL FACTOR IS THE BASIC COMBINATION BETWEEN THE ECONOMIC POLICIES OF THE COMMUNISTS ON THE ONE HAND AND THAT OF ALL OF THE OTHER PARTIES. THE COMMUNISTS WOULD FOLLOW A FULL EMPLOYMENT AND EXPANDED SOCIAL SERVICES

PROGRAM REGARDLESS OF INFLATIONARY CONSIDERATIONS, WHILE ALL OTHER PARTIES, TO ONE DEGREE OR ANOTHER, CONSIDER INFLATION AND LACK OF INTERNATIONAL COMPETITIVENESS TO BE FINLAND'S MOST PRESSING ECONOMIC PROBLEM. THIS CONFRONTATION - VERY MUCH IN EVIDENCE AS A MAJOR CAUSE OF THE MIETTUNEN GOVERNMENT'S FALL - WOULD SEEM TO MOST OBSERVERS TO MAKE SKDL PARTICIPATION IN ANOTHER COALITION GOVERNMENT (OPTIONS A OR C ABOVE) UNLIKELY IN THE NEAR FUTURE. INTERESTINGLY, FINNISH COMMUNIST PARTY (SKP) CHAIRMAN SAARINEN HIMSELF HAS SUGGESTED OPTION C, BUT BECAUSE OF THE BASIC ECONOMIC DIFFERENCES AMONG THE THREE GROUPS, HIS SUGGESTION WAS NOT TAKEN SERIOUSLY, MOREOVER, SKP VICE CHAIRMAN TAISTO SINISALO, HEAD OF THE HARDLINE COMMUNIST MINORITY, SAID THE FALL OF THE MIETTUNEN GOVERNMENT PROVED THAT SKP PARTICIPATION IN THE GOVERNMENT WAS UNJUSTIFIED AND AGAINST THE INTERESTS OF THE WORKERS. SUCH DIFFERENCES WITHIN THE SKP ADD TO THE UNLIKELIHOOD OF SKDL PARTICIPATION IN A NEW GOVERNMENT.

6. A SECOND FACTOR IS THE HARD STAND TAKEN BY THE SDP AGAINST THE CENTER PARTY'S DEMANDS FOR AGRICULTURAL SUBSIDIES, A POSITION WHICH PRESENTS AN OBSTACLE TO POSSIBLE SDP AND CENTER PARTY COOPERATION IN A FOUR-PARTY MAJORITY GOVERNMENT (OPTION B). HOWEVER, WHILE SDP OPPOSITION TO AGRICULTURAL SUBSIDIES WAS CONSIDERED A MAJOR FACTOR IN THE BREAKUP OF THE MIETTUNEN GOVERNMENT, SOME OBSERVERS BELIEVE THE SDP OVER-EMPHASIZED THE ISSUE IN ORDER TO BLUR, FOR ELECTORAL PURPOSES, SKP'S MORE FUNDAMENTAL DIFFERENCES WITH THE COMMUNISTS OVER ECONOMIC POLICY. THESE OBSERVERS BELIEVE THAT IF THE PRICE IS RIGHT, I.E., SDP PRIME MINISTERSHIP AND SOME CENTER PARTY CONCESSIONS ON AGRICULTURAL SUBSIDIES, THE SDP WOULD PARTICIPATE IN A FOUR-PARTY COALITION GOVERNMENT. THERE LIMITED OFFICIAL USE

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IS, HOWEVER, ANOTHER FACTOR DISCOURAGING SDP PARTICIPATION.

7. THIS THIRD FACTOR IS THE RIVALRY BETWEEN THE SKDL AND SDP FOR WORKER SUPPORT AND VOTES WHICH IN SOME SDP CIRCLES CREATES A CONSIDERABLE RELUCTANCE TO PARTICIPATE IN GOVERNMENT DURING DIFFICULT ECONOMIC TIMES UNLESS THE COMMUNISTS ALSO PARTICIPATE AND SHARE THE "BLAME" FOR TOUGH BUT NECESSARY GOVERNMENT ECONOMIC DECISIONS. THIS WAS THE MAJOR REASON WHY THE SDP IN THE FALL OF LAST YEAR STRONGLY SUPPORTED THE INCLUSION OF SKDL IN THE GOVERNMENT. NOW THAT IT HAS BEEN SHOWN THAT EFFECTIVE COOPERATION WITH THE COMMUNISTS IN GOVERNMENT DID NOT PROVE POSSIBLE, THE SDP MAY BE MORE WILLING TO PARTICIPATE IN A GOVERNMENT WITHOUT SKDL PARTICIPATION, EITHER WITH THE CENTER PARTIES (OPTION B) OR ALONE AS A MINORITY GOVERNMENT (OPTION E).

HOWEVER, THE SENTIMENT HAS BEEN EXPRESSED PUBLICLY BY PARTY SECRETARY GENERAL ULF SUNDQVIST THAT THE SDP SHOULD STAY OUT OF GOVERNMENT AND STRENGTHEN ITS OWN POSITION, LEAVING THE BOURGEOIS PARTIES TO ASSUME THE RESPONSIBILITY OF GOVERNMENT.

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8. A FOURTH FACTOR COMPLICATES THE POSSIBILITY OF A CENTRIST PARTIES MINORITY GOVERNMENT (OPTION F) WHICH WOULD BE DEPENDENT FOR SURVIVAL UPON SUBSTANTIAL CONSERVATIVE PARTY SUPPORT, OR OF A BOURGEOIS MAJORITY GOVERNMENT INCLUDING THE CONSERVATIVE PARTY (OPTION D). THAT FACTOR IS THAT SINCE 1966 THE CONSERVATIVE PARTY HAS EFFECTIVELY BEEN EXCLUDED FROM IMPORTANT GOVERNMENT INFLUENCE BECAUSE OF THEIR SUPPOSED "UNRELIABILITY" WITH RESPECT TO FINNISH/SOVIET RELATIONS. WHILE THE CONSERVATIVES HAVE BEEN MAKING MAJOR EFFORTS FOR SEVERAL YEARS TO GET BACK INTO THE GOOD GRACES OF PRESIDENT KEKKONEN, IT IS NOT AT ALL CLEAR THAT THEY WOULD YET BE CONSIDERED AS A GOVERNMENT COALITION PARTNER OR EVEN AS A PARTY

OUTSIDE OF THE GOVERNMENT WHOSE SUPPORT IS NECESSARY FOR
A GOVERNMENT'S SURVIVAL. THE LATTER EVENTUALITY IS,
NEVERTHELESS, SUBSTANTIALLY MORE POSSIBLE THAN THE FORMER.

9. A FIFTH FACTOR IS THE WHOLE QUESTION OF THE TIMING OF
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A NEW GOVERNMENT, PARTICULARLY WITH RESPECT TO THE SUB-
MISSION OF THE BUDGET TO THE EDUSKUNTA AND TO THE MUNICIPAL
ELECTIONS. WHILE THE MIETTUNEN GOVERNMENT FELL APART
TRYING TO AGREE ON A BUDGET TO PRESENT TO THE EDUSKUNTA
UPON ITS OPENING SEPTEMBER 21, THERE IS NO INTRINSIC
REASON WHY THERE MUST BE A RUSH TO SUBMIT THE BUDGET,
NOW THAT THE PRESSURE FROM WITHIN THE GOVERNMENT IS OFF.
LAST YEAR THE BUDGET WAS NOT SUBMITTED TO PARLIAMENT
UNTIL NOVEMBER 10, WHEN IT WAS SUBMITTED BY THE NON-
POLITICAL LIINAMAA "EXPERTS" GOVERNMENT WHICH PRECEDED
THE MIETTUNEN GOVERNMENT. ALSO, WITH MUNICIPAL ELEC-
TIONS COMING UP IN LESS THAN ONE MONTH, SOME OBSERVERS
HAVE EXPRESSED DOUBT THAT THE POLITICAL PARTIES WILL
WANT TO SEE A NEW POLITICAL GOVERNMENT FORMED AT THIS
TIME. BECAUSE THERE IS NO REAL BUDGET PRESSURE AND
BECAUSE OF THE MUNICIPAL ELECTIONS, SOME POLITICIANS
PREDICT THAT THE MIETTUNEN GOVERNMENT WILL CARRY ON IN
A CARETAKER CAPACITY UNTIL AFTER THE ELECTIONS (OPTION G)
OR THAT PRESIDENT KEKKONEN WILL APPOINT A NON-POLITICAL
"EXPERTS" GOVERNMENT (OPTION H) TO GOVERN THROUGH THE
MUNICIPAL ELECTIONS AND UNTIL A NEW POLITICAL GOVERNMENT
CAN BE FORMED.

9. THE FINAL, AND OVERRIDING, FACTOR TO BE CONSIDERED
IN ALL CALCULATIONS IS THE PERSON OF PRESIDENT URHO
KEKKONEN. IN THE FINAL ANALYSIS IT WILL BE HE WHO
DETERMINES HOW AND WHEN A NEW GOVERNMENT IS FORMED AND,
TO A MAJOR EXTENT, WHICH PARTIES WILL PARTICIPATE IN IT.
BECAUSE OF THE GREAT INFLUENCE EXERCISED BY KEKKONEN,
AND GIVEN HIS PROVEN RECORD OF DRAMATIC AND UNEXPECTED
ACTION, UNTIL HIS PREFERENCES ARE MADE KNOWN BOTH THE
TIMING AND COMPOSITION OF A NEW GOVERNMENT MUST REMAIN
ONLY SUBJECTS FOR SPECULATION. EARLY SPECULATION SEEMS
TO FAVOR OPTIONS F OR H AND QUICK ACTION BY PRESIDENT
KEKKONEN TO CALL A NEW GOVERNMENT.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL SITUATION, FORM OF GOVERNMENT, INTELLIGENCE ASSESSMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976HELSIN01985
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760357-0856
From: HELSINKI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760933/aaaabcbcp.tel
Line Count: 270
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 HELSINKI 1953
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 14 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 APR 2004 by ElyME>; APPROVED <09 AUG 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SPECULATION ON FORMATION OF NEW FINNISH GOVERNMENT
TAGS: PINT, FI
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006